

ESTTA Tracking number: **ESTTA363680**

Filing date: **08/17/2010**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92052525
Party	Defendant Peace & Love Jewelry by Nancy Davis LLC
Correspondence Address	TAL GRINBLAT, ESQ LEWITT, HACKMAN, SHAPIRO, MARSHALL & HARLAN 16633 VENTURA BLVD., 11TH FLOOR ENCINO, CA 91436 UNITED STATES tgrinblat@lewitthackman.com, nkanter@lewitthackman.com
Submission	Motion to Suspend for Civil Action
Filer's Name	Tal Grinblat
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Signature	/tal grinblat/
Date	08/17/2010
Attachments	Reply in Support of Motion to Suspend.pdf (46 pages)(2474355 bytes)

Supplemental Complaint attached as Exhibit “4.”) This filing renders Kohl’s entire argument against suspension moot. Any decision in the Civil Action will not only have a bearing on Cancellation Proceeding but will likely be dispositive. Therefore, the Cancellation Proceeding should be suspended pending the outcome of the Civil Action.

II. Factual Background

A. Nancy Davis Files a Civil Action for Trademark Infringement

On January 20, 2010 Nancy Davis filed the Civil Action alleging, among other things, that Kohl’s advertised and sold and continues to sell jewelry, clothing and accessories bearing heart and peace symbol designs that are confusingly similar to Nancy Davis’ registered trademarks. (See Complaint attached as Exhibit 1, ¶14). The Complaint includes claims for trademark infringement, false designation of origin, statutory unfair competition and common law unfair competition. (Exhibit 1, pages 4-10). The complaint specifically alleges infringement by Kohl’s of the following trademarks and trademark registrations (the “Jewelry Trademarks”):

- Reg. No. 2,989,992 for “peace & love jewelry by nancy davis” and design of a heart with a superimposed peace symbol in Class 14 (jewelry and watches);
- Reg. No. 3,193,106 for “peace & love” and design of a heart with a superimposed peace symbol in Class 14 (jewelry and watches); and
- Reg. No. 3,193,107 for a design of a heart with a superimposed peace symbol in Class 14 (jewelry and watches).

On March 12, 2010, Kohl’s filed an answer and counter-claim alleging that Nancy Davis’ trademarks are merely generic, descriptive, ornamental and/or decorative in design, are not inherently distinctive and lack secondary meaning as to the identification of their source. In its counterclaim, Kohl’s seeks an order cancelling the Jewelry Trademarks.

B. Nancy Davis Obtains Two Additional Registrations for Use on Clothing and Handbags

After filing the complaint, Nancy Davis obtained two additional trademark registrations for its peace/heart design for handbags and clothing. These registrations are the subject of this Cancellation Proceeding and issued on April 20, 2010, (3 months after filing the complaint)

under Registration Nos. 3,779,506 and 3,779,507 (the “Clothing/Handbag Trademarks”).

C. Kohl’s Petitions for Cancellation of the Clothing/Handbag Trademarks

On June 2, 2010, Kohl’s filed the instant Petition for Cancellation of the Clothing/Handbag Trademark registrations.¹ The Petition seeks cancellation of the marks on the ground that they are merely generic, descriptive, ornamental and/or decorative in design, are not inherently distinctive and lack secondary meaning as to the identification of their source. (See Petition, ¶5). The arguments set forth by Kohl’s in its Petition to cancel the Clothing/Handbag Trademarks are identical to the arguments in Kohl’s counter-claim in the Civil Action seeking an order cancelling the Jewelry Trademarks and its Opposition to the ‘776 Application.

D. Nancy Davis Supplements Its Complaint in the Civil Action to Allege the Clothing/Handbag Trademarks

On July 2, 2010, Nancy Davis filed a motion seeking leave to file a supplemental complaint in the Civil Action (the “Motion to Supplement”) to incorporate the Clothing/Handbag Trademarks since these registrations issued three months after the filing of the original complaint. The Motion to Supplement was granted on August 5, 2010. A copy of the District Court Order is attached as Exhibit “3.” Nancy Davis filed its supplemental complaint (the “Supplemental Complaint”) on August 6, 2010 specifically alleging infringement of the Clothing/Handbag Trademarks at issue in this Cancellation Proceeding. (See ¶10 of the Supplemental Complaint attached as Exhibit “4.”) However, it is important to note that even before the Supplemental Complaint was filed the original complaint contained allegations of infringement relating to clothing and accessories. (See Complaint attached as Exhibit 1, ¶14).

III. The Argument Presented in Kohl’s Response Is Now Moot

In its Response, Kohl’s argues that the Cancellation Proceeding should not be suspended

¹ Kohl’s also opposed Nancy Davis’ pending Application Serial No. 77/813,776 (the “‘776 Application”) on the same grounds as the instant Cancellation Proceeding. Nancy Davis’ motion to suspend this Opposition was granted by this Board on August 2, 2010 pending final disposition of the Civil Action since the “outcome of the infringement claims [in the Civil Action] may have a bearing on either party’s continued use of one or more of its marks, with respect to all or certain of the involved or pleaded goods.” A copy of the Board’s ruling is attached as Exhibit “2.”

because a ruling on the marks at issue in the Civil Action would not have any bearing on the Cancellation Proceeding. Kohl's claims that "the marks at issue in the Federal Court Case are for an entirely different category of goods." (Response, page 3, lines 26-28).

However, even Kohl's concedes that, if the complaint in the Civil Action were supplemented to add the trademarks at issue in the Cancellation Proceeding, the Civil Action would have a bearing on these Cancellation Proceeding. In fact, Kohl's goes so far as to state that Cancellation Proceeding should not be stayed "unless Nancy Davis succeeds on its Motion to Supplement Complaint." (Response, page 3, lines 15-23).

Nancy Davis' Motion to Supplement its complaint was granted on August 5, 2010 and the supplemental complaint specifically naming the two trademarks at issue in this Cancellation Proceeding was filed on August 6, 2010. This filing renders Kohl's entire argument against suspension moot.

IV. The Civil Action Will Be Dispositive of the Issues to be Decided in the Cancellation Proceeding

The Supplemental Complaint filed by Nancy Davis in the Civil Action alleges, among other things, that Kohl's advertised and sold and continues to sell jewelry, clothing and accessories bearing heart and peace symbol designs that are confusingly similar to Nancy Davis' registered trademarks. (Exhibit 4, ¶15). The Supplemental Complaint includes claims for trademark infringement, false designation of origin, statutory unfair competition and common law unfair competition. (Exhibit 4, pages 5-11). The Supplemental Complaint specifically alleges infringement by Kohl's of both the Jewelry Trademarks and the Clothing/Handbag Trademarks at issue in this Cancellation Proceeding.

Kohl's answer and counter-claim in the Civil Action allege that Nancy Davis' trademarks are merely generic, descriptive, ornamental and/or decorative in design, are not inherently distinctive and lack secondary meaning as to the identification of their source and seek an order cancelling the marks. Kohl's Cancellation Proceeding is based on the same grounds. (See Petition, ¶5).

The Civil Action bears directly on the Cancellation Proceeding. A ruling by the District

Court on the issue of the distinctiveness of the peace/love logo, if adopted by the Board, will determine the outcome of the Cancellation Proceeding. The parties can address all outstanding issues with respect to their respective uses of the various marks at issue more completely and more efficiently in the Civil Action. Any decision in the Civil Action will not only have a bearing on this Cancellation Proceeding, but will likely be dispositive. Therefore, the Cancellation Proceeding should be suspended pending the outcome of the Civil Action.

Furthermore, “where, as in the pending case, a district court suit concerns infringement, the interest in prompt adjudication far outweighs the value of having the view of the PTO. Whether a litigant is seeking to halt an alleged infringement or, as in this case, seeking a declaration of non-infringement, it is entitled to have the infringement issue resolved promptly so that it may conduct its business affairs in accordance with the court’s determination of its rights.” *Goya Foods, Inc. v. Tropicana Products, Inc.*, 846 F.2d 848, 853-854, 6 USPQ2d 1950 (2d Cir.1984). See also *Continental Connector Corp. v. Continental Specialties Corp.*, 413 F.Supp. 1347, 1348-49 (D.Conn.1976).

The Civil Action concerns infringement and a number of other claims including false designation of origin, statutory unfair competition and common law unfair competition. It is not solely about trademark registration. All issues and claims in this matter can be addressed in the Civil Action, but the infringement and unfair competition claims cannot be addressed by the Board in this Opposition. Granting the motion to suspend the Cancellation Proceeding will allow for the prompt resolution of the infringement issue and serve the interests of judicial economy.

V. The Board Should Suspend This Proceeding Pending the Outcome of the Civil Action

When the parties to a proceeding before the Board “are engaged in a civil action...which may have a bearing on the case, proceedings before the Board may be suspended until termination of the civil action.” 37 C.F.R. §2.117(a). “To the extent that a civil action in a Federal district court involves issues in common with those in a proceeding before the Board, the decision of the Federal district court is often binding upon the Board, while the decision of the

Board is not binding upon the court.” Trademark Trial and Appeal Board Manual of Procedure §510.02(a).

“[I]t is preferable for the TTAB to stay its own proceedings where parallel litigation occurs in the district court.” *American Bakeries Co. v. Pan-O-Gold Baking Co.*, 650 F.Supp.563, 567, 2 USPQ2d 1208 (D.Minn. 1986) citing *Sonora Cosmetics, Inc. v. L’Oreal S.A.*, 631 F.Supp. 626 (SDNY 1986 quoting *The Other Telephone Co. v. Connecticut National Telephone Co.*, 181 U.S.P.Q. 779, 782 (Com’r 1974). In this case, since the Civil Action, the Cancellation Proceeding and the Opposition all concern the same marks and goods, the District Court can and should conclusively determine the issues common to all of the proceedings.

VI. Conclusion

“Ordinarily, the Board will suspend proceedings in the case before it, if the final determination of the other proceeding will have a bearing on the issues before the Board.” Trademark Trial and Appeal Board Manual of Procedure §510.02(a). As explained above, any decision in the Civil Case will be dispositive of the issues before the Board in this Cancellation Proceeding. The trademark registrations which are at issue in the Cancellation Proceeding are directly referenced in the Civil Case. Kohl’s has also admitted in its own Reply that the cases are related. The Cancellation Proceeding should be suspended to avoid inconsistent rulings and needlessly expending the Board’s resources.

For the foregoing reasons and those set forth in the Motion to Suspend, Nancy Davis respectfully requests that its Motion to Suspend be granted and the Cancellation Proceeding be suspended for all purposes until the termination of the Civil Action.

DATED: August 17, 2010

LEWITT, HACKMAN, SHAPIRO,
MARSHALL & HARLAN

By: /s/ Tal Grinblat
TAL GRINBLAT
Attorneys for Peace & Love Jewelry by
Nancy Davis, LLC

EXHIBIT 1

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

PEACE & LOVE JEWELRY BY
NANCY DAVIS LLC, a California
limited liability company,

Plaintiffs

vs.

KOHL'S DEPARTMENT STORES,
INC., a Delaware corporation, and
Does 1 through 10, inclusive,

Defendants.

Case No. **CV10-0417 GW (VBK*)**

**COMPLAINT FOR DAMAGES AND
INJUNCTIVE RELIEF FOR:**

**(1) TRADEMARK INFRINGEMENT
[15 U.S.C. § 1114];**

**(2) FALSE DESIGNATION OF
ORIGIN [15 U.S.C. 1125(a)];**

**(3) STATUTORY UNFAIR
COMPETITION [Cal. Bus. & Prof.
Code §§ 17200 et seq.]; and**

**(4) COMMON LAW UNFAIR
COMPETITION**

JURY TRIAL DEMANDED

Plaintiff Peace & Love Jewelry by Nancy Davis LLC, a California limited liability company, for claims against defendants Kohl's Department Stores, Inc. and Does 1 through 10, inclusive, alleges as follows:

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COMPLAINT FOR TRADEMARK INFRINGEMENT;
FALSE DESIGNATION OF ORIGIN; AND UNFAIR COMPETITION

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1 herein alleged, were proximately caused by their conduct.

2 6. Plaintiff is informed and believes, and thereon alleges, that, at all times
3 relevant hereto, each of the defendants was the agent and/or employee of each of
4 the remaining defendants and, in doing the things hereinafter alleged, was acting
5 within the course and scope of such agency and/or employment.

6 **GENERAL ALLEGATIONS**

7 7. At all times relevant hereto, plaintiff Nancy Davis has been, and is,
8 engaged in the manufacture and sale of jewelry, apparel, and accessories under
9 three registered trademarks, one of which consists of a heart design with a peace
10 symbol superimposed inside of it, with the words "peace & love" above it, and the
11 words "jewelry by nancy davis," below it; one of which consists of a heart design
12 with a peace symbol superimposed inside of it, with the words "peace & love"
13 above it; and one of which consists of a heart design with a peace symbol
14 superimposed inside of it, but with no words (the "Marks").

15 8. Ms. Davis launched her "peace & love" jewelry line at Saks Fifth
16 Avenue in November 2002. Ms. Davis created the concept as part of her annual
17 fundraiser for multiple sclerosis, "Race To Erase MS," and incorporated the design
18 into jewelry that she gave as gifts to celebrity participants in the fundraiser in 2002.
19 The jewelry line that followed has been popular among celebrities and entertainers.
20 In 2009, Ms. Davis launched a "peace & love" clothing and accessory line that is
21 being sold in upscale, fashion-forward boutiques, including, among others, Kitson,
22 Fred Segal, and ICE Accessories.

23 9. Nancy Davis first adopted and used the Marks to identify goods in
24 September 2002 and registered the Marks in the United States Patent and
25 Trademark Office on August 30, 2005 under United States Trademark Registration
26 No. 2,989,992, and on January 2, 2007 under United States Trademark Registration
27 Nos. 3,193,106 and 3,193,107. Plaintiff owns the registrations, which are, and
28 continue to be, in full force and effect. Copies of plaintiff's trademark registrations

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1 are appended hereto as Exhibits A, B, and C and incorporated herein by reference.

2 Plaintiff's Marks are valid and protectable.

3 10. Nancy Davis has used the Marks continuously since September 2002
4 to identify its lines of jewelry, apparel, and accessories. Nancy Davis uses the
5 Marks on the jewelry, apparel, and accessories it sells, on boxes in which its
6 jewelry is sold, on labels affixed to the apparel and accessories it sells, on hang tags
7 appended to its products when they are sold, and in advertising and promotional
8 materials.

9 11. Jewelry, apparel, and accessories bearing plaintiff's Marks have been
10 sold to various upscale retail outlets throughout the United States since 2002,
11 including, among many others, Saks Fifth Avenue, Neiman Marcus, Kitson, Fred
12 Segal, ICE Accessories, Geary's, Paul Carter, and Fortunoff, as well as the Bellagio
13 and MGM Grand Hotels in Las Vegas.

14 12. Plaintiff's jewelry, apparel, and accessories have been advertised and
15 sold throughout the United States under the Marks. By virtue of advertising and
16 sales, together with consumer acceptance and recognition, plaintiff's Marks
17 identify plaintiff's jewelry, apparel, and accessories only, and distinguish them from
18 jewelry, apparel, and accessories manufactured and sold by others. Plaintiff's
19 Marks have thus become, and are, a valuable asset symbolizing plaintiff, its quality
20 goods, and its goodwill. Plaintiff's jewelry, apparel, and accessories are regularly
21 worn by high profile celebrities and are often featured in print and broadcast media.

22 **FIRST CLAIM FOR RELIEF**

23 **(Against All Defendants For Trademark Infringement, 15 U.S.C. § 1114)**

24 13. Plaintiff realleges and incorporates herein by reference each and every
25 allegation set forth above in paragraphs 1 through 12, inclusive.

26 14. Nancy Davis is informed and believes, and thereon alleges, that, in or
27 around July 2009, defendant Kohl's began to advertise, sell, or offer for sale,
28 jewelry, clothing, and accessories bearing heart and peace symbol designs that are

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1 reproductions, counterfeits, copies, or colorable imitations of the design contained
2 in the Marks. Plaintiff is further informed and believes, and thereon alleges, that
3 some of the infringing goods sold by Kohl's were, and continue to be, manufactured
4 by Kohl's under various of its brands or labels. True and correct images of
5 exemplars of infringing goods are appended hereto as Exhibit D.

6 15. Defendants are not now, and never have been, authorized by plaintiff
7 to use plaintiff's Marks or any confusingly similar mark in connection with the
8 marketing and/or sale of goods.

9 16. Plaintiff is informed and believes, and thereon alleges, that the
10 products defendants are advertising, selling, or offering for sale that bear a heart
11 and peace symbol design are imitations of plaintiff's Marks and that defendants are
12 advertising, selling, or offering them for sale in interstate commerce or in a manner
13 substantially affecting interstate commerce. As such, defendants' advertising, sale,
14 or offering for sale of those products is likely to cause confusion, mistake, and/or
15 deception among consumers as to the source, quality, and nature of those goods.

16 17. On or about July 2, 2009 plaintiff, by letter, advised defendant Kohl's
17 of plaintiff's ownership of the Marks and the registration therefor and requested that
18 defendant immediately cease and desist from further advertising, sale, or offering
19 for sale of products bearing a heart and peace symbol design like the one contained
20 in the Marks. A true and correct copy of that letter is appended hereto as Exhibit E.
21 Kohl's referred plaintiff's cease and desist letter to various manufacturers of
22 infringing goods sold by Kohl's. One such manufacturer acknowledged that more
23 than twenty of its products infringed plaintiff's trademark and proposed that
24 plaintiff enter into a licensing agreement with it. Plaintiff declined. Kohl's, itself,
25 never responded to plaintiff's July 2, 2009 cease and desist letter. On October 13,
26 2009, plaintiff sent another letter to Kohl's noting that, not only had Kohl's failed to
27 address the infringements referenced in its July 2, 2009 letter, but that its
28 infringements of plaintiff's marks had been much more extensive than originally

1 believed, *i.e.*, Kohl's not only continued selling infringing jewelry, but also, among
2 other infringing items, was selling watches, clothing for girls and juniors, and
3 sleepwear. A true and correct copy of plaintiff's October 13, 2009 letter to Kohl's is
4 appended hereto as Exhibit F. Defendant Kohl's never responded to plaintiff's
5 October 13, 2009 letter, and has failed and refused, and continues to fail and refuse,
6 to comply with plaintiff's requests.

7 18. Plaintiff is informed and believes, and thereon alleges, that, as a
8 proximate result of advantage accruing to defendant Kohl's business from
9 plaintiff's advertising, sales, and consumer recognition, and as a proximate result of
10 confusion, deception, mistake, or a combination thereof caused by defendant Kohl's
11 wrongful advertising and sale of goods bearing the heart and peace symbol design,
12 defendant Kohl's has made substantial sales and/or profits in an amount to be
13 established according to proof.

14 19. Plaintiff is informed and believes, and thereon alleges, that, as a
15 proximate result of advantage accruing to defendant Kohl's business from
16 plaintiff's advertising, sales, and consumer recognition, and as a proximate result of
17 confusion, deception, mistake, or a combination thereof caused by defendants'
18 wrongful advertising and sale of goods bearing the heart and peace symbol design,
19 plaintiff has been deprived of substantial sales of its jewelry, apparel, and
20 accessories and substantial opportunities to license the use of its Marks, and has
21 been deprived of the value of its Marks as commercial assets, in amounts to be
22 established according to proof.

23 20. Defendants' activities have the tendency to confuse and deceive and,
24 plaintiff is informed and believes, and thereon alleges, have already confused and
25 deceived, customers and potential customers for, and potential licensees of,
26 plaintiff's products into believing that defendants' products originate with, are
27 sponsored, endorsed, or licensed by, or are otherwise associated with plaintiff.
28 Plaintiff is informed and believes, and thereon alleges, that customers and potential

licensees are, and are likely to continue being, mistaken or deceived as to the true source, origin, sponsorship, and affiliation of the goods advertised, sold, or offered for sale by defendants that bear a heart and peace symbol design.

21. Plaintiff is informed and believes, and thereon alleges that, unless restrained by the Court, defendants will continue to infringe plaintiff's registered Marks, thus engendering a multiplicity of judicial proceedings, and that pecuniary compensation will not afford plaintiff adequate relief for the damage to its Marks in the public perception. Plaintiff is further informed and believes, and thereon alleges, that, in the absence of injunctive relief, customers, potential customers, and potential licensees are likely to be deceived or mistaken as to the true source, origin, sponsorship and affiliation of defendants' goods.

22. Plaintiff is informed and believes, and thereon alleges, that defendants' acts were committed, and continue to be committed, with actual notice of plaintiff's exclusive rights and with an intent to cause injury to the reputation and goodwill associated with plaintiff and its products. Pursuant to 15 U.S.C. § 1117, plaintiff is, therefore, entitled to recover three times its actual damages or three times defendants' profits, whichever is greater, together with plaintiff's attorneys' fees. In addition, pursuant to 15 U.S.C. § 1118, plaintiff is entitled to an order requiring destruction of all infringing products and promotional materials in defendants' possession.

SECOND CLAIM FOR RELIEF

(Against All Defendants For False Designation of Origination, 15 U.S.C. §

1125(a))

23. Plaintiff realleges and incorporates herein by reference each and every allegation set forth above in paragraphs 1 through 12, and 14 through 22, inclusive.

24. Defendants have caused goods that bear a heart and peace symbol design similar to the Marks to enter into interstate commerce. Said use of the heart and peace symbol design is a false designation of origin which is likely to cause

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1 confusion, to cause mistake, and to deceive as to the affiliation, connection, or
2 association of defendants with plaintiff and as to the origin, sponsorship, or
3 approval of such goods by plaintiff. These acts are in violation of 15 U.S.C.
4 § 1125(a) in that defendants have used a false designation of origin, or a false or
5 misleading description and representation of fact in connection with goods that is
6 likely to cause confusion, to cause mistake, and/or to deceive as to the affiliation,
7 connection, or association of defendants with plaintiff and/or as to the origin,
8 sponsorship, and/or approval of defendants' goods and activities by plaintiff.

9 25. Plaintiff is informed and believes, and thereon alleges, that, as a
10 proximate result of defendants' false designation of the origin of their goods,
11 defendants have made substantial sales and profits in amounts to be established
12 according to proof.

13 26. Plaintiff is informed and believes, and thereon alleges, that, as a
14 proximate result of defendants' false designation of the origin of their goods,
15 plaintiff has been damaged and deprived of substantial sales of its jewelry, apparel,
16 and accessories and has been deprived of the value of its trademarks as commercial
17 assets, in amounts to be established according to proof.

18 27. Plaintiff is informed and believes, and thereon alleges, that, unless
19 restrained by the Court, defendants will continue to designate falsely the origin of
20 their goods, causing irreparable damage to plaintiff and engendering a multiplicity
21 of lawsuits. Pecuniary compensation will not afford plaintiff adequate relief for its
22 resulting damages. Plaintiff is further informed and believes, and thereon alleges,
23 that, in the absence of injunctive relief, customers, potential customers, and
24 potential licensees are likely to continue being mistaken or deceived as to the true
25 source, origin, sponsorship, and affiliation of defendants' goods.

26 28. Plaintiff is informed and believes, and thereon alleges, that,
27 defendants' acts were committed, and continued to be committed, with actual notice
28 of plaintiff's exclusive rights and with an intent to cause confusion, to cause

1 mistake, and/or to deceive, and to cause injury to the reputation and good will
2 associated with plaintiff and his products. Pursuant to 15 U.S.C. § 1117, plaintiff
3 is, therefore, entitled to recover three times its actual damages or three times
4 defendants' profits, whichever is greater, together with plaintiff's attorneys' fees. In
5 addition, pursuant to 15 U.S.C. § 1118, plaintiff is entitled to an order requiring
6 destruction of all infringing products and promotional materials in defendants'
7 possession.

8 **THIRD CLAIM FOR RELIEF**

9 **(Against All Defendants For Statutory Unfair Competition)**

10 29. Plaintiff realleges and incorporates herein by reference each and every
11 allegation set forth above in paragraphs 1 through 12, 14 through 22, and 24
12 through 28, inclusive.

13 30. Defendants' conduct as alleged hereinabove, constitutes unfair,
14 unlawful, and fraudulent business practices prohibited by §§17200 *et seq.* and
15 17500 *et seq.* of the *California Business & Professions Code*.

16 31. Plaintiff is informed and believes, and thereon alleges, that, as a direct
17 and proximate result of defendants' wrongful conduct as alleged above, defendants
18 have obtained property and revenues properly belonging to plaintiff. Plaintiff
19 therefore seeks restitution of those amounts.

20 32. Plaintiff has no adequate remedy at law for the injury that will be
21 caused by defendants' acts of unfair competition and/or fraudulent business
22 practices. Accordingly, plaintiff is entitled to preliminary and permanent
23 injunctions restraining defendants, their officers, agents, and employees, and all
24 persons acting in concert with them, from further engaging in acts of unfair
25 competition and/or fraudulent business acts against plaintiff and its products.
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1 **FOURTH CLAIM FOR RELIEF**

2 **(Against All Defendants For Common Law Unfair Competition)**

3 33. Plaintiff realleges and incorporates herein by reference paragraphs 1
4 through 12, 14 through 22, 24 through 28, and 30 through 32, inclusive.

5 34. Defendants' conduct, as alleged hereinabove, constitutes acts of unfair
6 competition under California common law. These acts, including defendants' sale
7 of cheap knock-offs of plaintiff's luxury goods, have caused injury to the reputation
8 and goodwill of plaintiff, and have tarnished and diluted the Marks and caused
9 customer confusion. As a direct and proximate result of defendants' acts, plaintiff
10 has suffered damages, including lost profits, the precise amount of which is
11 presently unknown, but which will be established according to proof.

12 35. Plaintiff has no adequate remedy at law for the injury that will be
13 caused by defendants' acts of unfair competition. Accordingly, plaintiff is entitled
14 to preliminary and permanent injunctions restraining defendants, their officers,
15 agents, and employees, and all persons acting in concert with them, from further
16 engaging in acts of unfair competition against plaintiff and its products.

17 36. Plaintiff is informed and believes, and thereon alleges, that defendants
18 committed the foregoing acts with the intention of depriving plaintiff of its legal
19 rights, with oppression, fraud, and/or malice, and in conscious disregard of
20 plaintiff's rights. Plaintiff is, therefore, entitled to an award of exemplary damages,
21 according to proof.

22
23 **PRAYER FOR RELIEF**

24 **WHEREFORE, plaintiff prays for relief against defendants as follows:**

25 1. For preliminary and permanent injunctions enjoining and restraining
26 defendants, their agents, employees, representatives, partners, joint venturers,
27 and/or anyone acting on behalf of, or in concert with, defendants, or any of them,

28 from:

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1 A. designing, manufacturing, importing, shipping, delivering,
2 selling, marketing, displaying, advertising, or promoting any article of jewelry,
3 clothing, or accessory that simulates, reproduces, or bears the heart and peace
4 symbol design contained in the Marks or that bears any other mark so similar to
5 plaintiff's Marks as to create a likelihood of confusion, mistake, or deception;
6 and/or

7 B. representing or implying, directly or indirectly, to retailers,
8 customers, distributors, licensees, or any other customers or potential customers for
9 defendants' products that defendants' products originate with, are sponsored,
10 endorsed, or licensed by, or are otherwise associated or affiliated with plaintiff;
11 and/or

12 C. using, in connection with the sale of any article of jewelry,
13 clothing, or accessory, any other mark that is confusingly similar to the Marks
14 owned and used by plaintiff.

15 2. For an order requiring the destruction of all units of defendants'
16 infringing goods and all marketing, advertising, or promotional materials depicting
17 defendants' infringing goods;

18 3. For an accounting of all profits obtained by defendants from sales of
19 the infringing goods and an order that defendants hold all such profits in
20 constructive trust for the benefit of plaintiff;

21 4. For an award of all profits obtained by defendants from sales of the
22 infringing goods;

23 5. For statutory damages according to proof;

24 6. For compensatory damages, in an amount exceeding \$10 million,
25 according to proof;

26 7. For restitution of money lost by plaintiff or gained by defendants as a
27 result of defendants' acts of unfair competition, as provided in *Business &*

28 *Professions Code* § 17203.

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- 8. For exemplary and multiple damages, according to proof;
- 9. For prejudgment interest on all damages and other amounts awarded
by the Court
- 10. For attorneys' fees;
- 11. For costs of suit incurred herein; and
- 12. For such other and further relief as the Court deems just and proper.

Dated: January 20, 2010

BROWNE WOODS GEORGE LLP
Allan Browne
Peter W. Ross
Sylvia P. Lardiere

By 
Sylvia P. Lardiere

Attorneys for Plaintiff Peace & Love Jewelry
by Nancy Davis LLC

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DEMAND FOR JURY TRIAL

Plaintiff hereby demands a jury trial as provided by Rule 38(a) of the Federal Rules of Civil Procedure.

Dated: January 20, 2010

BROWNE WOODS GEORGE LLP

Allan Browne

Peter W. Ross

Sylvia P. Lardiere

By


Sylvia P. Lardiere

Attorneys for Plaintiff Peace & Love Jewelry
by Nancy Davis LLC

EXHIBIT 2

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

Mailed: August 2, 2010

Opposition No. 91194803

Kohl's Department Stores,
Inc.

v.

Peace & Love Jewelry By Nancy
Davis LLC

Jennifer Krisp, Interlocutory Attorney:

This proceeding is before the Board for consideration of applicant's motion (filed June 15, 2010) to suspend this proceeding pending disposition of a civil action, namely, *Peace & Love Jewelry by Nancy Davis LLC vs. Kohl's Department Stores, Inc.*, Case No. CV10-0417, currently pending before the United States District Court for the Central District of California. The motion has been fully briefed.

The Board may, upon its initiative, resolve a motion filed in an inter partes proceeding by telephone conference. See Trademark Rule 2.120(i)(1); TBMP § 502.06(a) (2d ed. rev. 2004). On July 29, 2010 the Board convened a telephone conference to resolve the issue(s) presented in the contested motion. Participating were Vonn R. Christenson, Esq., counsel for opposer, Tal Grinblat, Esq., counsel for applicant, and the assigned Interlocutory Attorney.

With its motion, applicant filed a copy of the pleadings from the civil action, in compliance with TBMP § 510.02(a) (2d ed. rev. 2004).

Generally, it is the policy of the Board to suspend proceedings before it when the parties are involved in a civil action which may be dispositive of or have a bearing on the Board case, until the termination of such civil action. See Trademark Rule 2.117(a). To the extent that a civil action in a Federal district court involves issues in common with those in a proceeding before the Board, the decision of the district court is often binding on the Board, while the decision of the Board is not binding on the district court. See, e.g., *Goya Foods Inv. v. Tropicana Products Inc.*, 846 F.2d 848, 6 USPQ2d 1950 (2d Cir. 1988); *American Bakeries Co. v. Pan-O-Gold Baking Co.*, 650 F Supp 563, 2 USPQ2d 1208 (D.Minn 1986). See also TBMP § 510.02(a) (2d ed. rev. 2004). Suspension of a Board proceeding pending the final determination of another proceeding is solely within the discretion of the Board. *Id.*

While opposer is correct that the Board has expertise in adjudicating the statutory issues, and that the District Court is free to afford weight to the Board's determination(s), the Board nevertheless is an administrative tribunal with limited jurisdiction which does not include infringement claims. The Board is empowered to determine only the right to register, and is not empowered

to determine the right to use, or broader issues of infringement or unfair competition, see TBMP § 102.01 (2d ed. rev. 2004), nor is the Board empowered to render declaratory judgment. See, e.g., *Kelly Services Inc. v. Greene's Temporaries Inc.*, 25 USPQ2d 1460, 1464 (TTAB 1992).

The outcome of the infringement claims may have a bearing on either party's continued use of one or more of its marks, with respect to all or certain of the involved or pleaded goods. Here, both parties have raised the issue of infringement before the District Court. Furthermore, opposer's counterclaim before the District Court seeks declaratory judgment, and raises issues that are the same as or similar to those raised in its notice of opposition.

Following a review of the pleadings, as well as counsels' arguments, the Board finds that suspension is appropriate under Trademark Rule 2.117(a). In view thereof, applicant's motion to suspend is granted.

Accordingly, this opposition is suspended pending final disposition of the referenced civil action. Within twenty (20) days after the final determination of the civil action, the parties shall so notify the Board and call this case up for any appropriate action.¹

During the suspension period, the parties shall notify the Board of any address changes for the parties or their

¹ A proceeding is considered to have been finally determined when a decision on the merits of the case (i.e. a dispositive ruling that ends litigation on the merits) has been rendered, and no appeal has been filed therefrom or all appeals filed therefrom have been decided. See TBMP § 510.02(b) (2d ed. rev. 2004).

Opposition No. 91194803

attorneys.

EXHIBIT 3

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No. CV 10-417-GW(VBKx) Date August 5, 2010
Title *Peace & Love Jewelry By Nancy Davis, LLC, v. Kohl's Department Stores, Inc., et al.*

Present: The Honorable GEORGE H. WU, UNITED STATES DISTRICT JUDGE

Javier Gonzalez

Wil Wilcox

Deputy Clerk

Court Reporter / Recorder

Tape No.

Attorneys Present for Plaintiffs:

Attorneys Present for Defendants:

Sylvia P. Lardiere

Vonn Robert Christenson

**PROCEEDINGS: PLAINTIFF'S MOTION FOR LEAVE TO FILE SUPPLEMENTAL
COMPLAINT (filed 07/02/10);**

POST-MEDIATION STATUS CONFERENCE

The tentative circulated is hereby adopted as the Court's final ruling (attached). Plaintiff's Motion for Leave to File Supplemental Complaint is **granted**. Counsel for plaintiff will manually file an amended complaint within five days of the date of this order.

Parties advise the Court that a settlement in this matter was not reached.

Initials of Preparer JG

: 05

Peace & Love Jewelry by Nancy Davis LLC v. Kohl's Dep't Stores, Inc.,

Case No. CV-10-0417 GW (VBKx), Tentative Ruling on Motion for Leave to
File Supplemental Complaint

Plaintiff Peace & Love Jewelry by Nancy Davis LLC ("Plaintiff") moves for leave to file a "supplemental" complaint pursuant to Federal Rule of Civil Procedure 15(d) in order to add allegations that it has now obtained registration of two trademarks covered by this action. Rule 15(d) provides, in pertinent part, that "[o]n motion and reasonable notice, the court may, on just terms, permit a party to serve a supplemental pleading setting out any transaction, occurrence, or event that happened after the date of the pleading to be supplemented." Fed. R. Civ. P. 15(d). By way of an order issued April 29, 2010, the Court set the last day to amend the pleadings in this action as May 21, 2010.

While some courts have commented that the same standards applying to Rule 15(a) motions to amend also apply to Rule 15(d) motions to supplement, *see Glatt v. Chicago Park Dist.*, 87 F.3d 190, 194 (7th Cir. 1996), the Ninth Circuit has also commented that supplemental pleadings are "favored" because they allow a court to award complete relief in the same action. *See Keith v. Volpe*, 858 F.2d 467, 473 (9th Cir. 1988), *cert. denied sub nom.*, *City of Hawthorne v. Wright*, 493 U.S. 813 (1989); *see also Planned Parenthood of S. Ariz. v. Neely*, 130 F.3d 400, 402 (9th Cir. 1997) (noting that "the goal of Rule 15(d)" is the "promot[ion of] judicial efficiency"); Schwarzer, Tashima, et al., California Practice Guide: Federal Civil Procedure Before Trial (2009) § 8:1750, at 8-195. Nevertheless, it has also examined whether the opposing party would be prejudiced by the proposed supplementation. *See Keith*, 858 F.2d at 475-76.

Defendant argues that Plaintiff only cares about supplementing its complaint because Defendant has pending before the Trademark Trial and Appeals Board ("TTAB") an application to cancel the two new registrations. Defendant appears to claim that the existence of the TTAB proceedings means that Plaintiff's supplementation here would prejudice it in some manner. If that is so, Defendant has not adequately explained why it would be true.

Defendant also contends that it would be prejudiced by the supplementation because the registrations are for lines of goods that it says have not been part of this action to this point. However, as Plaintiff points out, its original Complaint clearly indicated that the trademarks at issue in this case concerned jewelry, apparel and accessories, and that Defendant was infringing Plaintiff's marks in connection with the sale of jewelry, apparel and accessories. *See* Complaint ¶¶ 8, 10-11, 14. Meanwhile, the registrations attached to the original Complaint covered only jewelry and watches. *See* Complaint, Exhs. A-C. Defendant surely could have at least deduced that additional registrations, covering apparel and accessories, might have been in the works and might have been added to this action at some point. Its prejudice claim is therefore hard to accept on that basis either.

It might be more difficult for Plaintiff to establish grounds for granting its motion were the Court to hold Plaintiff to strict compliance with Rule 15(a) standards for amendment. Under Rule 15(a), if the motion to amend is filed after the last day for amending the pleadings under the scheduling order in place in the action, good cause would first be required in order to amend the scheduling order to even allow for the motion. *See* Fed. R. Civ. P. 16(b)(4). It does not appear that the Ninth Circuit has ever applied the "good cause" Rule 16(b)(4) standard to a Rule 15(d) motion to supplement, and district courts are seemingly split on the question. *See Global Bldg. Sys. v. Brandes*, No. CV-07-1065-PHX-DGC, 2008 WL 477876, *2 (D. Ariz. Feb. 19, 2008); *Fremont Inv. & Loan v. Beckley Singleton, Chtd.*, No. 2:03-CV-1406-PMP-RJJ, 2007 WL 1213677, *7 (D. Nev. Apr. 24, 2007); *cf. Wagner v. Prof'l Eng'rs in Cal. Gov't*, 354 F.3d 1036, 1051-52 (9th Cir. 2004) (noting district court's employment of Rule 16 good cause standard).

The "good cause" analysis primarily inquires into "the diligence of the party seeking the amendment." *Coleman v. Quaker Oats Co.*, 232 F.3d 1271, 1294 (9th Cir. 2000); *see also Noyes v. Kelly Servs.*, 488 F.3d 1163, 1174 n.6 (9th Cir. 2007); *Johnson v. Mammoth Recreations, Inc.*, 975 F.2d 604, 609 (9th Cir. 1992). Thus, a pretrial schedule "may be modified 'if it cannot reasonably be met despite the diligence of the party seeking the extension.'" *Zivkovic v. Southern Cal. Edison Co.*, 302 F.3d 1080, 1087 (9th Cir. 2002) (quoting *Johnson*, 975 F.2d at 609). In other words, "[a] party

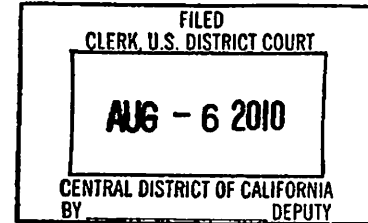
demonstrates good cause for the modification of a scheduling order by showing that, even with the exercise of due diligence, he or she was unable to meet the timetable set forth in the order.” *Matrix Motor Co., Inc. v. Toyota Jidosha Kabushiki Kaisha*, 218 F.R.D. 667, 671 (C.D. Cal. 2003) (citing *Zivkovic*, 302 F.3d at 1087, and *Johnson*, 975 F.2d at 609). “[C]arelessness is not compatible with a finding of diligence and offers no reason for a grant of relief.” *Johnson*, 975 F.2d at 609. “If the party seeking the modification ‘was not diligent, the inquiry should end’ and the motion to modify should not be granted.” *Zivkovic*, 302 F.3d at 1087 (quoting *Johnson*, 975 F.2d at 609).

Good cause would ordinarily be present when applied to a Rule 15(d) motion when the facts which are proposed to be added did not themselves occur until after the amendment cut-off date. Here, however, the registrations were issued on April 20, 2010, one month before the May 21, 2010, cut-off date. Plaintiff’s counsel’s explanation of the delay in seeking to supplement the Complaint is that she was engaged in a two-week jury trial in federal court in San Francisco from May 10-21, 2010, and had been travelling domestically and internationally to take depositions in that action during the six weeks prior to trial. *See Lardiere Decl.* ¶ 6. She also indicates that she personally did not become aware of the additional registrations until June 11, 2010, after she learned of Defendant’s proceeding before the TTAB. *See id.*

Whether or not those explanations would suffice under Rule 16(b)(4), the Court’s scheduling order in this matter spoke only of the “[l]ast day to add parties and/or amend pleadings,” as is consistent with Federal Rule of Civil Procedure 16(b)(3)(A). An amended pleading is to be distinguished from a supplemental pleading. *See Schwarzer & Tashima* (2009) § 8:1720, at 8-192. In the absence, therefore, of any firm date that had to be altered under Rule 16(b)(4), the Court is left with the simple directive to consider whether “just terms” exist to grant the motion. The Court would conclude that they do here, and will consequently grant the motion. However, in order to better assess Defendant’s request – appurtenant to its motion – to have the discovery deadline in this case continued to some extent, the Court would offer Defendant the opportunity to explain just what new discovery it would have to take in connection with the registrations that would not and should not have been apparent necessities before the registrations were obtained.

EXHIBIT 4

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8 Peace & Love Jewelry by Nancy Davis LLC

9 UNITED STATES DISTRICT COURT
10 CENTRAL DISTRICT OF CALIFORNIA

12 PEACE & LOVE JEWELRY BY
13 NANCY DAVIS LLC, a California
14 limited liability company,

14 Plaintiff,

15 vs.

16 KOHL'S DEPARTMENT STORES,
17 INC., a Delaware corporation, and
18 Does 1 through 10, inclusive,

19 Defendants.

Case No. CV10-0417 GW (VBKx)

**FIRST SUPPLEMENTAL
COMPLAINT FOR DAMAGES AND
INJUNCTIVE RELIEF FOR:**

(1) **TRADEMARK INFRINGEMENT**
[15 U.S.C. § 1114];

(2) **FALSE DESIGNATION OF
ORIGIN** [15 U.S.C. § 1125(a)];

(3) **STATUTORY UNFAIR
COMPETITION** [Cal. Bus. & Prof.
Code §§ 17200 et seq.]; and

(4) **COMMON LAW UNFAIR
COMPETITION**

JURY TRIAL DEMANDED

24
25 Plaintiff Peace & Love Jewelry by Nancy Davis LLC, a California limited
26 liability company, for claims against defendants Kohl's Department Stores, Inc. and
27 Does 1 through 10, inclusive, alleges as follows:
28

JURISDICTION AND VENUE

1
2 1. This Court has original jurisdiction of this action under 28 U.S.C. §
3 1332, in that it is a civil action between citizens of different states in which the
4 amount in controversy exceeds \$50,000, exclusive of interest and costs. This Court
5 also has original jurisdiction of this action under 28 U.S.C. §§ 1331, 1337, and
6 1338 in that the claims herein arise under federal trademark law (15 U.S.C. § 1121
7 et seq.). This Court has jurisdiction of the related state claims under 28 U.S.C.
8 § 1367(a).

9 2. This district is the proper venue for this action, as a substantial part of
10 the events and omissions giving rise to the claims herein occurred in this district,
11 and all defendants are subject to personal jurisdiction in this district.

THE PARTIES

12
13 3. Plaintiff Peace & Love Jewelry by Nancy Davis LLC ("Nancy Davis")
14 is, and at all times relevant hereto was, a limited liability company organized and
15 existing under and by virtue of the laws of the State of California, having its
16 principal place of business in the County of Los Angeles, State of California.
17 Nancy Davis was founded by the designer, Nancy Davis ("Ms. Davis").

18 4. Plaintiff is informed and believes, and thereon alleges, that defendant
19 Kohl's Department Stores, Inc. ("Kohl's") is, and at all times relevant hereto was, a
20 corporation organized and existing under and by virtue of the laws of the State of
21 Delaware, and that Kohl's is, and at all times relevant hereto was, qualified to do
22 business, and doing business, in the County of Los Angeles, State of California.

23 5. Plaintiff is ignorant of the true names and capacities of defendants
24 sued herein as Does 1 through 10, inclusive, and therefore sues them by such
25 fictitious names. Plaintiff will amend this Complaint to allege their true names and
26 capacities once they have been ascertained. Plaintiff is informed and believes, and
27 thereon alleges, that each of the fictitiously named defendants is responsible in
28

1 some manner for the occurrences herein alleged and that plaintiff's injuries, as
2 herein alleged, were proximately caused by their conduct.

3 6. Plaintiff is informed and believes, and thereon alleges, that, at all times
4 relevant hereto, each of the defendants was the agent and/or employee of each of
5 the remaining defendants and, in doing the things hereinafter alleged, was acting
6 within the course and scope of such agency and/or employment.

7 GENERAL ALLEGATIONS

8 7. At all times relevant hereto, plaintiff Nancy Davis has been, and is,
9 engaged in the manufacture and sale of jewelry, apparel, and accessories under
10 three registered trademarks, one of which consists of a heart design with a peace
11 symbol superimposed inside of it, with the words "peace & love" above it, and the
12 words "jewelry by nancy davis," below it; one of which consists of a heart design
13 with a peace symbol superimposed inside of it, with the words "peace & love"
14 above it; and one of which consists of a heart design with a peace symbol
15 superimposed inside of it, but with no words. These three trademarks were
16 registered for jewelry and watches in Class 14.

17 8. On April 20, 2010, plaintiff obtained registrations for two additional
18 trademarks, one of which consists of a heart design with a peace symbol
19 superimposed inside of it, with no words, which was registered for clothing,
20 handbags, tote bags, purses, and shoulder bags in Classes 18 and 25, and the other
21 of which consists of a heart design with a peace symbol superimposed inside of it,
22 with the words "peace & love" above it, which was registered for handbags, tote
23 bags, purses, and shoulder bags in Class 18. (Hereinafter, plaintiff's five registered
24 trademarks shall be referred to collectively as the "Marks.")

25 9. Ms. Davis launched her "peace & love" jewelry line at Saks Fifth
26 Avenue in November 2002. Ms. Davis created the concept as part of her annual
27 fundraiser for multiple sclerosis, "Race To Erase MS," and incorporated the design
28 into jewelry that she gave as gifts to celebrity participants in the fundraiser in 2002.

1 The jewelry line that followed has been popular among celebrities and entertainers.
2 In 2009, Ms. Davis launched a "peace & love" clothing and accessory line that is
3 being sold in upscale, fashion-forward boutiques, including, among others, Kitson,
4 Fred Segal, and ICE Accessories.

5 10. Nancy Davis first adopted and used the Marks to identify goods in
6 September 2002 and registered the Marks in the United States Patent and
7 Trademark Office on August 30, 2005 under United States Trademark Registration
8 No. 2,989,992; on January 2, 2007 under United States Trademark Registration
9 Nos. 3,193,106 and 3,193,107; and on April 20, 2010 under United States
10 Trademark Registration Nos. 3,779,506 and 3,779,507. Plaintiff owns the
11 registrations, which are, and continue to be, in full force and effect. Copies of
12 plaintiff's trademark registrations are appended hereto as Exhibits A, B, C, D, and E
13 and incorporated herein by reference. Plaintiff's Marks are valid and protectable.

14 11. Nancy Davis has used the Marks continuously since September 2002
15 to identify its lines of jewelry, apparel, and accessories. Nancy Davis uses the
16 Marks on the jewelry, apparel, and accessories it sells, on boxes in which its
17 jewelry is sold, on labels affixed to the apparel and accessories it sells, on hang tags
18 appended to its products when they are sold, and in advertising and promotional
19 materials.

20 12. Jewelry, apparel, and accessories bearing plaintiff's Marks have been
21 sold to various upscale retail outlets throughout the United States since 2002,
22 including, among many others, Saks Fifth Avenue, Neiman Marcus, Kitson, Fred
23 Segal, ICE Accessories, Geary's, Paul Carter, and Fortunoff, as well as the Bellagio
24 and MGM Grand Hotels in Las Vegas.

25 13. Plaintiff's jewelry, apparel, and accessories have been advertised and
26 sold throughout the United States under the Marks. By virtue of advertising and
27 sales, together with consumer acceptance and recognition, plaintiff's Marks
28 identify plaintiff's jewelry, apparel, and accessories only, and distinguish them from

1 jewelry, apparel, and accessories manufactured and sold by others. Plaintiff's
2 Marks have thus become, and are, a valuable asset symbolizing plaintiff, its quality
3 goods, and its goodwill. Plaintiff's jewelry, apparel, and accessories are regularly
4 worn by high profile celebrities and are often featured in print and broadcast media.

5 **FIRST CLAIM FOR RELIEF**

6 **(Against All Defendants For Trademark Infringement, 15 U.S.C. § 1114)**

7 14. Plaintiff realleges and incorporates herein by reference each and every
8 allegation set forth above in paragraphs 1 through 13, inclusive.

9 15. Nancy Davis is informed and believes, and thereon alleges, that, in or
10 around July 2009, defendant Kohl's began to advertise, sell, or offer for sale,
11 jewelry, clothing, and accessories bearing heart and peace symbol designs that are
12 reproductions, counterfeits, copies, or colorable imitations of the design contained
13 in the Marks. Plaintiff is further informed and believes, and thereon alleges, that
14 some of the infringing goods sold by Kohl's were, and continue to be, manufactured
15 by Kohl's under various of its brands or labels. True and correct images of
16 exemplars of infringing goods are appended hereto as Exhibit F.

17 16. Defendants are not now, and never have been, authorized by plaintiff
18 to use plaintiff's Marks or any confusingly similar mark in connection with the
19 marketing and/or sale of goods.

20 17. Plaintiff is informed and believes, and thereon alleges, that the
21 products defendants are advertising, selling, or offering for sale that bear a heart
22 and peace symbol design are imitations of plaintiff's Marks and that defendants are
23 advertising, selling, or offering them for sale in interstate commerce or in a manner
24 substantially affecting interstate commerce. As such, defendants' advertising, sale,
25 or offering for sale of those products is likely to cause confusion, mistake, and/or
26 deception among consumers as to the source, quality, and nature of those goods.

27 18. On or about July 2, 2009 plaintiff, by letter, advised defendant Kohl's
28 of plaintiff's ownership of the Marks and the registrations that are appended hereto

1 as Exhibits A, B, and C, and requested that defendant immediately cease and desist
2 from further advertising, sale, or offering for sale of products bearing a heart and
3 peace symbol design like the one contained in the Marks. A true and correct copy
4 of that letter is appended hereto as Exhibit G. Kohl's referred plaintiff's cease and
5 desist letter to various manufacturers of infringing goods sold by Kohl's. One such
6 manufacturer acknowledged that more than twenty of its products infringed
7 plaintiff's Marks and proposed that plaintiff enter into a licensing agreement with it.
8 Plaintiff declined. Kohl's, itself, never responded to plaintiff's July 2, 2009 cease
9 and desist letter. On October 13, 2009, plaintiff sent another letter to Kohl's noting
10 that, not only had Kohl's failed to address the infringements referenced in its July 2,
11 2009 letter, but that its infringements of plaintiff's marks had been much more
12 extensive than originally believed, *i.e.*, Kohl's not only continued selling infringing
13 jewelry, but also, among other infringing items, was selling watches, clothing for
14 girls and juniors, and sleepwear. A true and correct copy of plaintiff's October 13,
15 2009 letter to Kohl's is appended hereto as Exhibit H. Defendant Kohl's never
16 responded to plaintiff's October 13, 2009 letter, and has failed and refused, and
17 continues to fail and refuse, to comply with plaintiff's requests.

18 19. Plaintiff is informed and believes, and thereon alleges, that, as a
19 proximate result of advantage accruing to defendant Kohl's business from
20 plaintiff's advertising, sales, and consumer recognition, and as a proximate result of
21 confusion, deception, mistake, or a combination thereof caused by defendant Kohl's
22 wrongful advertising and sale of goods bearing the heart and peace symbol design,
23 defendant Kohl's has made substantial sales and/or profits in an amount to be
24 established according to proof.

25 20. Plaintiff is informed and believes, and thereon alleges, that, as a
26 proximate result of advantage accruing to defendant Kohl's business from
27 plaintiff's advertising, sales, and consumer recognition, and as a proximate result of
28 confusion, deception, mistake, or a combination thereof caused by defendants'

1 wrongful advertising and sale of goods bearing the heart and peace symbol design,
2 plaintiff has been deprived of substantial sales of its jewelry, apparel, and
3 accessories and substantial opportunities to license the use of its Marks, and has
4 been deprived of the value of its Marks as commercial assets, in amounts to be
5 established according to proof.

6 21. Defendants' activities have the tendency to confuse and deceive and,
7 plaintiff is informed and believes, and thereon alleges, have already confused and
8 deceived, customers and potential customers for, and potential licensees of,
9 plaintiff's products into believing that defendants' products originate with, are
10 sponsored, endorsed, or licensed by, or are otherwise associated with plaintiff.
11 Plaintiff is informed and believes, and thereon alleges, that customers and potential
12 licensees are, and are likely to continue being, mistaken or deceived as to the true
13 source, origin, sponsorship, and affiliation of the goods advertised, sold, or offered
14 for sale by defendants that bear a heart and peace symbol design.

15 22. Plaintiff is informed and believes, and thereon alleges that, unless
16 restrained by the Court, defendants will continue to infringe plaintiff's registered
17 Marks, thus engendering a multiplicity of judicial proceedings, and that pecuniary
18 compensation will not afford plaintiff adequate relief for the damage to its Marks in
19 the public perception. Plaintiff is further informed and believes, and thereon
20 alleges, that, in the absence of injunctive relief, customers, potential customers, and
21 potential licensees are likely to be deceived or mistaken as to the true source,
22 origin, sponsorship and affiliation of defendants' goods.

23 23. Plaintiff is informed and believes, and thereon alleges, that defendants'
24 acts were committed, and continue to be committed, with actual notice of plaintiff's
25 exclusive rights and with an intent to cause injury to the reputation and goodwill
26 associated with plaintiff and its products. Pursuant to 15 U.S.C. § 1117, plaintiff is,
27 therefore, entitled to recover three times its actual damages or three times
28 defendants' profits, whichever is greater, together with plaintiff's attorneys' fees.

1 In addition, pursuant to 15 U.S.C. § 1118, plaintiff is entitled to an order requiring
2 destruction of all infringing products and promotional materials in defendants'
3 possession.

4 **SECOND CLAIM FOR RELIEF**

5 **(Against All Defendants For False Designation of Origination,**
6 **15 U.S.C. § 1125(a))**

7 24. Plaintiff realleges and incorporates herein by reference each and every
8 allegation set forth above in paragraphs 1 through 13, and 15 through 23, inclusive.

9 25. Defendants have caused goods that bear a heart and peace symbol
10 design similar to the Marks to enter into interstate commerce. Said use of the heart
11 and peace symbol design is a false designation of origin which is likely to cause
12 confusion, to cause mistake, and to deceive as to the affiliation, connection, or
13 association of defendants with plaintiff and as to the origin, sponsorship, or
14 approval of such goods by plaintiff. These acts are in violation of 15 U.S.C.
15 § 1125(a) in that defendants have used a false designation of origin, or a false or
16 misleading description and representation of fact in connection with goods that is
17 likely to cause confusion, to cause mistake, and/or to deceive as to the affiliation,
18 connection, or association of defendants with plaintiff and/or as to the origin,
19 sponsorship, and/or approval of defendants' goods and activities by plaintiff.

20 26. Plaintiff is informed and believes, and thereon alleges, that, as a
21 proximate result of defendants' false designation of the origin of their goods,
22 defendants have made substantial sales and profits in amounts to be established
23 according to proof.

24 27. Plaintiff is informed and believes, and thereon alleges, that, as a
25 proximate result of defendants' false designation of the origin of their goods,
26 plaintiff has been damaged and deprived of substantial sales of its jewelry, apparel,
27 and accessories and has been deprived of the value of its trademarks as commercial
28 assets, in amounts to be established according to proof.

1 have obtained property and revenues properly belonging to plaintiff. Plaintiff
2 therefore seeks restitution of those amounts.

3 33. Plaintiff has no adequate remedy at law for the injury that will be
4 caused by defendants' acts of unfair competition and/or fraudulent business
5 practices. Accordingly, plaintiff is entitled to preliminary and permanent
6 injunctions restraining defendants, their officers, agents, and employees, and all
7 persons acting in concert with them, from further engaging in acts of unfair
8 competition and/or fraudulent business acts against plaintiff and its products.

9 **FOURTH CLAIM FOR RELIEF**

10 **(Against All Defendants For Common Law Unfair Competition)**

11 34. Plaintiff realleges and incorporates herein by reference paragraphs 1
12 through 13, 15 through 23, 25 through 29, and 31 through 33, inclusive.

13 35. Defendants' conduct, as alleged hereinabove, constitutes acts of unfair
14 competition under California common law. These acts, including defendants' sale
15 of cheap knock-offs of plaintiff's luxury goods, have caused injury to the reputation
16 and goodwill of plaintiff, and have tarnished and diluted the Marks and caused
17 customer confusion. As a direct and proximate result of defendants' acts, plaintiff
18 has suffered damages, including lost profits, the precise amount of which is
19 presently unknown, but which will be established according to proof.

20 36. Plaintiff has no adequate remedy at law for the injury that will be
21 caused by defendants' acts of unfair competition. Accordingly, plaintiff is entitled
22 to preliminary and permanent injunctions restraining defendants, their officers,
23 agents, and employees, and all persons acting in concert with them, from further
24 engaging in acts of unfair competition against plaintiff and its products.

25 37. Plaintiff is informed and believes, and thereon alleges, that defendants
26 committed the foregoing acts with the intention of depriving plaintiff of its legal
27 rights, with oppression, fraud, and/or malice, and in conscious disregard of
28

1 plaintiff's rights. Plaintiff is, therefore, entitled to an award of exemplary damages,
2 according to proof.

3
4 **PRAYER FOR RELIEF**

5 WHEREFORE, plaintiff prays for relief against defendants as follows:

6 1. For preliminary and permanent injunctions enjoining and restraining
7 defendants, their agents, employees, representatives, partners, joint venturers,
8 and/or anyone acting on behalf of, or in concert with, defendants, or any of them,
9 from:

10 A. designing, manufacturing, importing, shipping, delivering,
11 selling, marketing, displaying, advertising, or promoting any article of jewelry,
12 clothing, or accessory that simulates, reproduces, or bears the heart and peace
13 symbol design contained in the Marks or that bears any other mark so similar to
14 plaintiff's Marks as to create a likelihood of confusion, mistake, or deception;
15 and/or

16 B. representing or implying, directly or indirectly, to retailers,
17 customers, distributors, licensees, or any other customers or potential customers for
18 defendants' products that defendants' products originate with, are sponsored,
19 endorsed, or licensed by, or are otherwise associated or affiliated with plaintiff;
20 and/or

21 C. using, in connection with the sale of any article of jewelry,
22 clothing, or accessory, any other mark that is confusingly similar to the Marks
23 owned and used by plaintiff.

24 2. For an order requiring the destruction of all units of defendants'
25 infringing goods and all marketing, advertising, or promotional materials depicting
26 defendants' infringing goods;

1 3. For an accounting of all profits obtained by defendants from sales of
2 the infringing goods and an order that defendants hold all such profits in
3 constructive trust for the benefit of plaintiff;

4 4. For an award of all profits obtained by defendants from sales of the
5 infringing goods;

6 5. For statutory damages according to proof;

7 6. For compensatory damages, in an amount exceeding \$10 million,
8 according to proof;

9 7. For restitution of money lost by plaintiff or gained by defendants as a
10 result of defendants' acts of unfair competition, as provided in *Business &*
11 *Professions Code* § 17203.

12 8. For exemplary and multiple damages, according to proof;

13 9. For prejudgment interest on all damages and other amounts awarded
14 by the Court

15 10. For attorneys' fees;

16 11. For costs of suit incurred herein; and

17 12. For such other and further relief as the Court deems just and proper.

18
19 Dated: August 6, 2010

BROWNE WOODS GEORGE LLP

Allan Browne

Peter W. Ross

Sylvia P. Lardiere

20
21
22 By


Sylvia P. Lardiere

23
24 Attorneys for Plaintiff Peace & Love Jewelry
by Nancy Davis LLC

DEMAND FOR JURY TRIAL

Plaintiff hereby demands a jury trial as provided by Rule 38(a) of the Federal Rules of Civil Procedure.

Dated: August 6, 2010

BROWNE WOODS GEORGE LLP

Allan Browne

Peter W. Ross

Sylvia P. Lardiere

By


Sylvia P. Lardiere

Attorneys for Plaintiff Peace & Love Jewelry
by Nancy Davis LLC

PROOF OF SERVICE

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I am employed in the County of Los Angeles, State of California. I am over 18 years of age and am not a party to the within action or proceeding. My business address is 16633 Ventura Boulevard, 11th Floor, Encino, California 91436-1865.

On August 17, 2010, I served the foregoing document(s) described as:

REPLY IN SUPPORT OF MOTION TO SUSPEND PETITION FOR CANCELLATION

on the interested party(ies) in this action at the following address, fax number or email address:

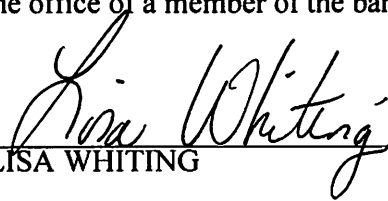
Matthew R. Orr, Esq.
Scott P. Shaw, Esq.
Vonn R. Christenson, Esq.
CALL & JENSEN
A Professional Corporation
610 Newport Center Drive, Suite 700
Newport Beach, CA 92660
(949)717-3000
Attorneys for: Kohl's Department Stores,
Inc.

- ☒ **(BY MAIL)** I enclosed the documents in a sealed envelope or package addressed to the persons at the addresses listed above and place the envelope for collection and mailing, following our ordinary business practices. I am "readily familiar" with the firm's practice of collecting and processing correspondence for mailing. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one (1) day after date of deposit for mailing in affidavit.
- ☐ **(BY OVERNIGHT DELIVERY)** I enclosed the documents in an envelope or package provided by an overnight delivery carrier and addressed to the persons at the addresses listed above. I placed the envelope or package for collection and overnight delivery at an office or a regularly utilized drop box of the overnight delivery carrier.
- ☐ **(BY FACSIMILE)** I faxed the documents to the persons at the fax numbers listed above. No error was reported by the fax machine that I used. A copy of the report confirming the fax transmission, which I printed out, is attached.
- ☐ **(BY EMAIL)** I caused the documents to be sent to the persons at the email addresses listed above. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.
- ☐ **(PERSONAL SERVICE)** I personally delivered the documents to the person or at the person's office by leaving the documents in an envelope or package clearly labeled to identify the person being served with a receptionist or an individual in charge of the office.
- EXECUTED on August 17, 2010, at Encino, California.
- ☐ **(STATE)** I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

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(FEDERAL) I declare that I am employed in the office of a member of the bar of this Court at whose direction the service was made.


LISA WHITING